

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 545 - SB 547

February 20, 2017

SUMMARY OF BILL: Establishes that a breach of security of personal information by an unauthorized person includes personal information that is encrypted. Establishes exceptions to the definition of personal information. Expands the period of time an information holder, as defined in Tenn. Code Ann. § 47-18-2107, has to notify the owner or licensee of the information that there has been a breach of security by an unauthorized person by allowing a period of 45 days from the discovery or notification of the breach.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 47-18-2107(f), any owner or licensee of personal information that is aggrieved as a result of a breach of security of such information may institute a civil action to recover damages and enjoin other information holders to prevent further violations under Tenn. Code Ann. § 47-18-2107.
- Pursuant to Tenn. Code Ann. § 47-18-2105(d), a violation of identity theft is punishable by a civil penalty the greater of: ten thousand dollars (\$10,000); five thousand dollars (\$5,000) per day for each day a person's identity has been assumed; or ten (10) times the amount obtained or attempted to be obtained by the person using the stolen identity. This civil penalty is in addition to any other penalties under the Tennessee Consumer Protection Act, or other laws, regulations or rules.
- This bill may result in an increase in formal complaints; however, any such increase is estimated to be not significant.
- The Division of Consumer Affairs can handle any increase in formal complaints utilizing existing staff during normal work hours.
- Committing an unfair or deceptive practice under the *Consumer Protection Act of 1977* is a Class B misdemeanor offense.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

IMPACT TO COMMERCE:

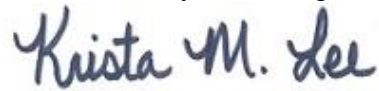
NOT SIGNIFICANT

Assumptions:

- This bill will not significantly affect the process by which businesses in this state must notify owners or licensees of information that a breach of such information has occurred.
- This bill is estimated to have no significant impact on commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb